



March 30, 2001

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## ENGROSSED HOUSE BILL No. 1873

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DIGEST OF HB 1873 (Updated March 28, 2001 1:00 PM - DI 104)

**Citations Affected:** IC 16-25; noncode.

**Synopsis:** Hospice. Requires the office of Medicaid policy and planning (OMPP) to apply for a federal waiver to reimburse hospices for room and board services at a rate of 95% of the average case mix per diem reimbursement rate for Medicaid payments in effect for health facilities licensed under IC 16-28 as of July 1 of each year for patients who: (1) reside in a hospice facility; (2) receive a routine home care level of care; and (3) are eligible for Medicaid. Requires OMPP to report the decision of the federal government regarding the waiver to the governor and the general assembly. Provides that OMPP may not implement the waiver unless the general assembly approves the implementation and appropriates funds. Requires the state department of health to conduct annual surveys of hospices until July 1, 2003, and to adopt guidelines to survey hospices every one to three years after July 1, 2003. Specifies criteria that the state department of health must consider in establishing guidelines regarding the survey of hospice programs.

**Effective:** July 1, 2001.

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### Brown C, Dillon, Goeglein, Becker

(SENATE SPONSORS — GARD, ALEXA, ROGERS, SMITH S, BRODEN)

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January 17, 2001, read first time and referred to Committee on Public Health.  
February 1, 2001, amended, reported — Do Pass; referred to Committee on Ways and Means pursuant to Rule 127.  
February 19, 2001, reported — Do Pass.  
February 22, 2001, read second time, ordered engrossed. Engrossed.  
February 26, 2001, read third time, passed. Yeas 96, nays 0.

SENATE ACTION

March 1, 2001, read first time and referred to Committee on Health and Provider Services.  
March 29, 2001, amended, reported favorably — Do Pass.

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March 30, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## ENGROSSED HOUSE BILL No. 1873

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 16-25-5-2.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2001]: **Sec. 2.5. (a) The state department shall adopt rules under**  
4 **IC 4-22-2 to establish guidelines that require the state department**  
5 **to conduct a survey of a hospice program licensed or approved**  
6 **under IC 16-25-3 at least once every one (1) to three (3) years.**

7 **(b) In establishing the guidelines required under subsection (a),**  
8 **the state department shall consider the following:**

9 **(1) A change in ownership of a hospice program.**

10 **(2) A change in management of a hospice program.**

11 **(3) A finding that a hospice program violated a federal**  
12 **condition of participation for hospice licensure.**

13 SECTION 2. [EFFECTIVE JULY 1, 2001] **(a) Notwithstanding**  
14 **IC 16-25-5-2.5, as added by this act, the state department of health**  
15 **shall conduct an annual survey of each hospice program licensed**  
16 **or approved under IC 16-25-3 to determine if the hospice complies**  
17 **with IC 16-25.**

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(b) This SECTION expires July 1, 2003.

SECTION 3. [EFFECTIVE JULY 1, 2001] (a) As used in this SECTION, "eligible individual" means an individual who:

(1) is a resident of a hospice;

(2) is receiving a routine home care level of care (as described in 42 CFR 418.302(b)); and

(3) is eligible for Medicaid.

(b) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(c) As used in this SECTION, "room and board" means any inpatient services provided by a hospice in compliance with 42 CFR 418.100 et seq.

(d) As used in this SECTION, "waiver" refers to a demonstration waiver for reimbursement of hospice room and board.

(e) Before January 1, 2002, the office shall apply to the United States Department of Health and Human Services for approval of the necessary demonstration waiver under Section 1115 of the federal Social Security Act (42 U.S.C. 1315) to provide a per diem amount for room and board for an eligible individual under the Medicaid hospice program in an amount equal to ninety-five percent (95%) of the average case mix per diem rate for Medicaid payments in effect for health facilities licensed under IC 16-28 as of July 1 of each year.

(f) If a provision of this SECTION differs from the requirements of a waiver, the office shall submit the waiver request in a manner that complies with the requirements of the waiver. However, if the waiver is approved, the office shall apply within one hundred twenty (120) days after the waiver is approved for an amendment to the waiver that contains the provisions under this SECTION that were not included in the approved waiver.

(g) The office shall notify the governor and the general assembly in writing regarding the determination of the United States Department of Health and Human Services concerning the waiver not later than five (5) days after the office is notified of the determination.

(h) The office may not implement the waiver unless the general assembly:

(1) approves the implementation of the waiver; and

(2) appropriates funds for implementation.

(i) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.



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1        **(j) This SECTION expires January 1, 2008.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1873, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 7, delete "lowest per diem" and insert "**average case mix per diem rate for Medicaid payments in effect for health facilities licensed under IC 16-28 as of July 1 of each year.**".

Page 2, delete lines 8 through 9.

Page 2, line 12, after "shall" insert "**develop rules under IC 4-22-2 to establish guidelines that require the state department to**".

Page 2, line 13, delete "on an" and insert "**at least once every one (1) to three (3) years.**".

Page 2, delete line 14.

Page 2, after line 14, begin a new paragraph and insert:

"SECTION 5. [EFFECTIVE JULY 1, 2001] **(a) Notwithstanding IC 16-25-5-2.5, as added by this act, the state department of health shall conduct an annual survey of each hospice program licensed or approved under IC 16-25-3 to determine if the hospice complies with IC 16-25.**

**(b) This SECTION expires July 1, 2003.**"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1873 as introduced.)

BROWN C, Chair

Committee Vote: yeas 13, nays 0.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1873, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BAUER, Chair

Committee Vote: yeas 20, nays 0.

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SENATE MOTION

Mr. President: I move that Senator Broden be added as cosponsor  
of Engrossed House Bill 1873.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1873, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 9.

Page 2, line 12, after "2.5." insert "(a)".

Page 2, line 12, delete "develop" and insert "adopt".

Page 2, between lines 15 and 16, begin a new paragraph and insert:

**"(b) In establishing the guidelines required under subsection (a), the state department shall consider the following:**

**(1) A change in ownership of a hospice program.**

**(2) A change in management of a hospice program.**

**(3) A finding that a hospice program violated a federal condition of participation for hospice licensure."**

Page 2, after line 21, begin a new paragraph and insert:

**"SECTION 3. [EFFECTIVE JULY 1, 2001] (a) As used in this SECTION, "eligible individual" means an individual who:**

**(1) is a resident of a hospice;**

**(2) is receiving a routine home care level of care (as described in 42 CFR 418.302(b)); and**

**(3) is eligible for Medicaid.**

**(b) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.**

**(c) As used in this SECTION, "room and board" means any inpatient services provided by a hospice in compliance with 42 CFR 418.100 et seq.**

**(d) As used in this SECTION, "waiver" refers to a demonstration waiver for reimbursement of hospice room and board.**

**(e) Before January 1, 2002, the office shall apply to the United States Department of Health and Human Services for approval of the necessary demonstration waiver under Section 1115 of the federal Social Security Act (42 U.S.C. 1315) to provide a per diem amount for room and board for an eligible individual under the Medicaid hospice program in an amount equal to ninety-five percent (95%) of the average case mix per diem rate for Medicaid payments in effect for health facilities licensed under IC 16-28 as of July 1 of each year.**

**(f) If a provision of this SECTION differs from the**

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requirements of a waiver, the office shall submit the waiver request in a manner that complies with the requirements of the waiver. However, if the waiver is approved, the office shall apply within one hundred twenty (120) days after the waiver is approved for an amendment to the waiver that contains the provisions under this SECTION that were not included in the approved waiver.

(g) The office shall notify the governor and the general assembly in writing regarding the determination of the United States Department of Health and Human Services concerning the waiver not later than five (5) days after the office is notified of the determination.

(h) The office may not implement the waiver unless the general assembly:

- (1) approves the implementation of the waiver; and
- (2) appropriates funds for implementation.

(i) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

(j) This SECTION expires January 1, 2008."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1873 as printed February 20, 2001.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

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